

**Alabama Business Privilege Tax**  
**TY2005 Alabama Schedule BPT-IN**  
**Initial Privilege Tax Computation**  
**Schedule**  
**Preparation Instructions**

**Prepared by the**  
**Alabama Department of Revenue**  
**Business Privilege Tax Unit**  
**(334) 353-7923**

**November 2004**

## **Alabama Schedule BPT-IN**

### **Initial Privilege Tax Computation Schedule**

Section 40-14A-29, Code of Alabama 1975, requires newly organized corporations, limited liability entities, and disregarded entities to file an initial business privilege tax return and to pay the business privilege tax reported on the return, within two and one-half months after organization.

Corporations, limited liability entities, and disregarded entities organized outside of Alabama, but qualifying with the Alabama Secretary of State to do business in Alabama, must file an initial business privilege tax return and pay the business privilege tax reported on the return, within two and one-half months after the date of qualification.

The initial return generally consists of a Form CPT, for C-corporations, or a Form PPT, for pass-through entities, in addition to a properly completed Alabama Schedule BPT-IN, Initial Privilege Tax Computation Schedule. An Alabama Schedule AL-CAR is not required for an initial return.

#### **The preparation of the Form CPT and the Form PPT differs for an initial return, as follows:**

**1. Determination Period Dates.** Line 2a and 2b on page 1 (the Determination Period Beginning Date and Ending Dates) should be the date of incorporation or organization for corporations, limited liability entities, and disregarded entities organized in Alabama. For corporations, limited liability entities, and disregarded entities organized outside the State of Alabama, line 2a and 2b should be the date the entities qualified with the Alabama Secretary of State to do business in Alabama.

**2. Apportionment Factor.** The apportionment factor used on the initial return is based solely on the ratio of property located in Alabama to total property owned by the taxpayer (which includes property located outside of Alabama). The apportionment factor is computed as of the date of organization, if organized in Alabama, or the date the entity qualified with the Alabama Secretary of State, if a foreign entity. See the instructions for apportionment factors – line 9, Part B, page 2, Form CPT and line 7, Part B, page 2, Form PPT.

**3. Possible Short Taxable Year Proration of Privilege Tax.** If the initial return is for a short taxable year (the period of time between the date organized or qualified and the last day of the taxable year is less than one year), the business privilege tax is prorated over the short period. The business privilege tax for a short taxable year will never be less than \$100.

## **Alabama Schedule BPT-IN**

### **Initial Privilege Tax Computation Schedule**

#### **Preparation Instructions**

**Line 1a. FEIN.** Enter the Federal Employer Identification Number (FEIN) of the entity.

**Line 1b. Name.** Enter the legal name of the entity.

**Line 1c. Determination Period Ending Date.** Enter the date the entity was incorporated or organized in Alabama. If the entity was organized outside the State of Alabama, enter the date the entity qualified with the Alabama Secretary of State to do business in Alabama. Complete Form CPT or Form PPT, whichever is applicable, as of the Determination Period Ending Date.

For example, if a corporation is incorporated on April 1, 2005, then the date that would be entered on line 1c, as the Determination Period Ending Date, would be 04/01/05.

**Line 1d. Short Taxable Year Return Indicator.** Check this box if the period of time between date of organization or qualification until the end of the taxpayer's taxable year is less than a year. An example of a short year would be where a corporation incorporated on April 1, 2005, but is intending (or is possibly required) to have a December 31<sup>st</sup> taxable year end.

**Line 2. Taxable Alabama Net Worth.** Compute Taxable Alabama Net Worth (Line 16 on Form CPT and Line 15 on Form PPT) in accordance with the instructions for the applicable form. Please note the apportionment factor for initial returns differs from the apportionment factor for the annual business privilege tax returns. Preparation instructions for Form CPT and Form PPT provide instructions concerning the apportionment factor used to compute the Alabama business privilege tax. The instructions provide an explanation of the property-only apportionment factor required for initial returns.

**Line 3. Tax Rate.** The tax rate for initial privilege tax computations is always .00025.

**Line 4. Gross Tax Due.** Multiply line 2 (Taxable Alabama Net Worth) by line 3 (Tax Rate).

## **Alabama Schedule BPT-IN**

### **Initial Privilege Tax Computation Schedule**

#### **Preparation Instructions**

**Line 5. Ratio of Days Remaining in the Calendar Year Divided by 365.** Enter the ratio of the number of days remaining in the calendar year or, if different, the number of days remaining in the taxpayer's taxable year, to 365. This ratio will allow the business privilege tax to be prorated to the short taxable year.

**Line 6. Tax Due.** Multiply line 4 (Gross Tax Due) by line 5 (Ratio of Days Remaining in Taxable Year). Line 6 cannot be less than \$100. The amount computed for line 6 should also be entered on page 2, line 20, of Form CPT or page 2, line 19, of Form PPT, whichever is applicable.

**Line 7a. Contact Person Concerning this Form.** Enter the name of the person who can answer questions concerning the preparation of this form.

**Line 7b. Contact Person's Phone Number.** Enter the phone number of the person who can answer questions concerning the preparation of this form.

**Line 8a. County of Incorporation or Organization for All Alabama Entities.** Enter the Alabama county of incorporation or organization, if the entity was incorporated or formed in Alabama.

**Line 8b. State or Country of Incorporation or Organization for All Foreign Entities.** Enter the state or country of incorporation or organization, if the entity was not incorporated or formed in Alabama.

**Line 9a. Date of Qualification or Registration in Alabama for Foreign Entities.** Enter the date the entity qualified with the Alabama Secretary of State to do business in Alabama.

**Line 9b. Date of Incorporation or Organization for All Entities.** Enter the date of incorporation or organization.

**Line 9c. Telephone Number of Taxpayer.** Enter the telephone number of the taxpayer's primary office.

## **Alabama Schedule BPT-IN**

### **Initial Privilege Tax Computation Schedule**

#### **Preparation Instructions**

**Line 10a. Name of Registered Agent in Alabama.** Enter the name of the registered agent in Alabama. This form cannot be used to change the registered agent of a corporation.

**Line 10b. FEIN or Social Security Number.** Enter the FEIN or social security number of the registered agent.

**Line 10c. Street Address.** Enter the street address or mailing address of the registered agent.

**Line 10d. City, State, and Zip Code.** Enter the city, state and zip code of the registered agent.

**Line 11a. Name of Corporate President.** Enter the name of the current corporate president.

**Line 11b. Social Security Number.** Enter the social security number of the current corporate president.

**Line 11c. Street Address.** Enter the street address or mailing address of the current corporate president.

**Line 11d. City, State and Zip Code.** Enter the city, state, and zip code of the current corporate president.

**Line 12a. Name of Corporate Secretary.** Enter the name of the current corporate secretary.

**Line 12b. Social Security Number.** Enter the social security number of the current corporate secretary.

**Line 12c. Street Address.** Enter the street address or mailing address of the current corporate secretary.

**Line 12d. City, State and Zip Code.** Enter the city, state, and zip code of the current corporate secretary.

## **Alabama Schedule BPT-IN**

### **Initial Privilege Tax Computation Schedule**

#### **Preparation Instructions**

**Line 13. Kind of Business Done in Alabama.** Please provide a brief statement of the character of business in which the entity is engaged in the State of Alabama.

**Line 14. Principal Place of Business in Alabama.** Please provide the mailing address for the principal place of business in Alabama.

**Line 15. Kind of Business Done Generally.** Please provide a brief statement of the general character of business in which the entity is engaged.

**Line 16. Principal Office and Place of Business if Outside the State of Alabama.** Please provide the mailing address for the principal place of business, if it is located outside of Alabama.

SCHEDULE  
**BPT-IN**

ALABAMA DEPARTMENT OF REVENUE  
**Alabama Business Privilege Tax**  
**Initial Privilege Tax Computation Schedule**

BUSINESS PRIVILEGE  
TAX YEAR  
**2005**

1a FEIN ▶	1b NAME	1c Determination Period: Ending ____/____/____ (mm/dd/yyyy) 1d <input type="checkbox"/> SY (Short Year)
--------------	---------	---------------------------------------------------------------------------------------------------------------------

**Initial Privilege Tax Computation**

THIS SCHEDULE IS TO BE COMPLETED ONLY BY TAXPAYERS WHO INCORPORATED, ORGANIZED, QUALIFIED, REGISTERED OR STARTED DOING BUSINESS IN ALABAMA DURING THE TAX YEAR. Enter the date the entity incorporated, organized, qualified, registered, or started doing business in Alabama, **whichever occurred first**: mm/dd/yy \_\_\_\_/\_\_\_\_/\_\_\_\_. Complete Form CPT or Form PPT as of this date.

2 Taxable Alabama net worth from Form CPT, page 2, part B, line 16 or Form PPT, page 2, part B, line 15	2	
3 Tax rate	3	.00025
4 Gross tax due	4	
5 Ratio of the days remaining in the calendar year divided by 365	5	____.____.____%
6 Tax due (multiply line 4 by line 5) (\$100 minimum) enter also on Form CPT, page 2, line 20 or Form PPT, page 2, line 19.	6	

**TAXPAYER INFORMATION**

7a CONTACT PERSON CONCERNING THIS FORM	7b CONTACT PERSON'S PHONE NUMBER ( )
----------------------------------------	-----------------------------------------

8a County of incorporation or organization for all Alabama entities	8a	
8b State or country of incorporation or organization for all foreign entities	8b	
9a Date of qualification or registration in Alabama for foreign entities	9a	
9b Date of incorporation or organization for all entities	9b	
9c Telephone number of the taxpayer	9c	( )
10a Name of registered agent in Alabama	10a	
10b FEIN or social security number	10b	
10c Street address	10c	
10d City, state and zip code	10d	
11a Name of corporate president	11a	
11b Social security number	11b	
11c Street address	11c	
11d City, state and zip code	11d	
12a Name of corporate secretary	12a	
12b Social security number	12b	
12c Street address	12c	
12d City, state and zip code	12d	
13 Kind of business done in Alabama	13	
14 Principal place of business in Alabama	14	
City, state and zip code		
15 Kind of business done generally	15	
16 Principal office and place of business if outside State of Alabama	16	
City, state and zip code		